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Intergovernmental Preparatory Committee for the International Ministerial Conference of Landlocked and Transit Developing Countries, and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation
Second session
Almaty, 25-27 August 2003

Draft report

Chapter I
Introduction

1. In its resolution 56/180, the General Assembly decided to convene in 2003 the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation to review the current situation of transit transport systems, including the implementation of Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community of 1995, and to formulate, inter alia, appropriate policy measures and action-orientated programmes aimed at developing efficient transit transport systems.

2. In its resolution 57/242, the General Assembly decided that the open-ended Intergovernmental Preparatory Committee for the Conference would hold two sessions, that the sixth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, to be held in New York from 23 to 27 June 2003, would serve as the first session and would address both substantive and organizational matters, and that the Meeting of Senior Officials, to be held at Almaty from 25 to 27 August 2003, would serve as the second session.

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Chapter II
Organizational matters

A. Opening and duration of the second session

3. The Preparatory Committee held its second session in Almaty from 25 to 27 August 2003. During the course of its session, the Committee held ___ plenary meetings to consider all the agenda items, including the draft outcome of the Conference, and ___ informal meetings.

4. The Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States was designated by the General Assembly as the Secretary-General of the Conference and his Office was responsible for coordination and the substantive secretariat, while the Disarmament and Decolonization Affairs Branch, Department for General Assembly and Conference Management, served as secretariat of the Preparatory Committee.

5. The session was opened by Antonio Bernardini, Vice-Chairman of the Preparatory Committee, who conducted the election of the Chairman of the Preparatory Committee.

B. Officers

6. At its 1st meeting, on 25 August 2003, the Preparatory Committee elected by acclamation Yoshiyuki Motomura, Ambassador and Deputy Permanent Representative of Japan, as Chairman of its second session.

C. Adoption of the agenda

7. At the same meeting, on 25 August 2003, the Preparatory Committee adopted its provisional agenda and organization of work (A/CONF.202/PC/4) as follows:

1. Opening of the session.
2. Adoption of the agenda and programme of work.
3. Election of the Chairman.
4. Consideration of the draft outcome of the Conference.
5. Other business.
6. Adoption of the report of the Committee on its second session.

D. Documentation

8. The Committee had before it the following documents:

(a) Provisional agenda and organization of work (A/CONF.202/PC/4);

(b) Report of the Preparatory Committee on its first session (A/CONF.202/PC/5);

(c) Provisional rules of procedure for the Conference (A/CONF.202/PC/3).

Chapter III
Organization of work

9. At the 1st plenary meeting, on 25 August 2003, the Chairman of the Preparatory Committee made a statement on the substantive and organizational aspects of the work of the Committee.

10. The Secretary-General of the Conference made a statement on the organizational and substantive aspects of the work of the Conference.

11. The representative of the host country, Kazakhstan, Kazhmurat I. Nagmanov, Minister of Transport and Communication, made a statement.

Chapter IV
Consideration of the draft outcome of the Conference

12. The Committee considered item 4 of its agenda at six meetings, held from 25 to 27 August 2003. Representatives of Member States made comments and suggestions on the Chairman's text of the draft outcome document, entitled "Almaty Programme of Action: [Partnerships to address the special needs of landlocked developing countries]/[A new global framework for transit transport cooperation for landlocked and transit developing countries]" (A/CONF.202/PC/5, annex).

Action taken by the Preparatory Committee

13. Based on those comments and suggestions, at its sixth meeting the Preparatory Committee adopted a final draft of the outcome document and recommended it to the Conference for its consideration and adoption (see chap. V).

14. The Committee also considered the draft Almaty Declaration submitted by Kazakhstan at the 1st meeting of the Preparatory Committee, on 25 August 2003, and recommended it to the Conference for its consideration and adoption (see chap. V).

Chapter V
Recommendations of the Preparatory Committee

15. The Committee recommends to the Conference for its consideration and adoption the draft Almaty Programme of Action: [Partnerships to address the special needs of landlocked developing countries]/[A new global framework for transit transport cooperation for landlocked and transit developing countries], which is contained in annex I to the present report.

16. The Committee also recommends to the Conference for its consideration and adoption the draft Almaty Declaration, which is contained in annex II to the present report.

Chapter VI
Adoption of the report of the Preparatory Committee on its second session

17. At the ___ meeting on 27 August, Limakatso Motjope (Kingdom of Lesotho), as Vice-Chairperson with rapporteurial responsibilities, introduced the draft report of the Preparatory Committee on its second session (A/CONF.202/PC.2/L.1).

18. Also at the same meeting, the Committee adopted the draft report as orally amended.

Annex I

Chairman's text

Almaty Programme of Action:

[Partnerships to address the special needs of landlocked developing countries]

[A new global framework for transit transport cooperation for landlocked and transit developing countries]

[Final draft text to be inserted]

Annex II

Draft text submitted by Kazakhstan

Almaty Declaration

We, the Governments participating in the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation,

Having gathered in Almaty in August 2003 to address the special needs of landlocked developing countries and the establishment of efficient transit transport systems in landlocked and transit developing countries,

Recalling the United Nations Millennium Declaration,[1] in which heads of State and Government recognized the particular needs and problems of the landlocked developing countries and urged both bilateral and multilateral donors to increase financial and technical assistance to this group of countries to meet their particular development needs and to help them to overcome the impediments of geography by improving their transit transport systems, and resolving to create an environment, at the national and global levels alike, that is conducive to development and to the elimination of poverty,

Having adopted the Almaty Programme of Action: [Partnerships to address the special needs of landlocked developing countries]/[A new global framework for transit transport cooperation for landlocked and transit developing countries],

Declare that:

1. *We believe* that increased trade is essential for the economic growth and sustainable development of developing countries. However, the participation of landlocked developing countries in international trade is severely limited by lack of access to the sea, remoteness and isolation from major international markets;

2. *We recognize* that a major reason for the marginalization of landlocked developing countries from the global trading system is high trade transaction costs. Trade and transport are inextricably linked. Transport costs are a key determinant of international trade competitiveness, regional integration and the attainment of balanced national development. Excessive transport costs result in a major barrier to foreign markets and trade growth;

3. *We commit* ourselves to work towards minimizing the current marginalization and the beneficial integration of landlocked developing countries into the global economy. We will help landlocked developing countries expand their trade flows by (a) securing unfettered access to the sea by all means of transport, (b) reducing costs and improving services so as to increase the competitiveness of their exports, (c) reducing the delivered costs of imports, (d) freeing trade routes

[1] General Assembly resolution 55/2.

from delays and uncertainties, (e) developing adequate national networks and (f) reducing loss, damage and deterioration of goods en route. We will achieve those goals by promoting the establishment of efficient transit systems in both landlocked and transit developing countries;

4. *We believe* that transit transport cooperation is of considerable mutual benefit to both landlocked and transit developing countries. While we are aware that the transit countries concerned are themselves developing countries, often of broadly similar economic structure and beset by a scarcity of resources similar to that of the landlocked developing countries, they will doubtlessly benefit from having their landlocked neighbours become more prosperous as a consequence of increased trade;

5. *We reaffirm* the right of access of landlocked countries to and from the sea and freedom of transit through the territory of transit countries by all means of transport, as set forth in article 125 of the United Nations Convention on the Law of the Sea;[2]

6. *We also reaffirm* that transit countries, in the exercise of their full sovereignty over their territory, have the right to appropriate measures necessary to ensure that the rights and facilities provided for landlocked countries in no way infringe upon their legitimate interests;

7. *We recognize* that the primary responsibility for establishing effective transit systems rests with the landlocked and transit developing countries. We thus call upon them to implement measures to further strengthen their cooperative and collaborative efforts to address transit transport issues by improving the physical infrastructure and non-physical aspects of transit transport systems, and in this respect we emphasize the role of South-South cooperation;

8. *We invite* donor countries, the United Nations Development Programme and multilateral financial and development institutions to provide landlocked and transit developing countries with increased financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, and to promote subregional, regional and interregional projects and programmes aimed at improving the availability and optimal use of different transport modes and inter-modal efficiency along transport corridors;

9. *We also emphasize* that the private sector should play a larger role in expanding the physical infrastructure of landlocked developing countries. There is as yet scant private sector participation in transportation-related projects in the landlocked developing countries. Bringing the much-needed resources of the private sector to bear on the geographic challenges faced by landlocked developing countries will greatly enhance their trade and development prospects;

10. *We note* the important role that the simplification, harmonization and standardization of transit procedures and documentation as well as the application of information technologies have played in enhancing the efficiency of transit systems,

[2] See *The Law of the Sea: Official Texts of the United Nations Convention on the Law of the Sea of 10 December 1982 and of the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 with Index and Excerpts from the Final Act of the Third United Nations Conference on the Law of the Sea* (United Nations publication, Sales No. E.97.V.10).

and call upon relevant entities of the United Nations and other international organizations, including the World Bank, the regional commissions, the United Nations Conference on Trade and Development, the World Trade Organization and the World Customs Organization, to expand their assistance extended to landlocked and transit developing countries in those areas, in accordance with their respective mandates;

11. *We recall* the Ministerial Declaration adopted at the Fourth Ministerial Conference of the World Trade Organization,[3] which recognized the case for further expediting the movement, release and clearance of goods, including goods in transit, and the need for enhanced technical assistance and capacity-building in this area, and agreed that negotiations would take place after the fifth session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that session on the modalities for negotiations. Landlocked and transit developing countries can benefit from trade facilitation, including freedom of transit and simpler customs procedures. Any strengthening of the relevant World Trade Organization provisions should be pursued with those objectives in mind and should be a catalyst for the adoption of several of the measures recommended in the Almaty Programme of Action;

12. *We consider* that the current negotiation on market access for agricultural and non-agricultural goods should consider giving particular attention to products of export interest to landlocked developing countries, taking into consideration the high trade transaction costs dictated by their geographical disadvantaged situation;

13. *We invite* those countries that have not done so to consider ratifying or acceding to international agreements and conventions related to transit trade and transport. We also invite the international community to continue providing technical and financial support to landlocked and transit developing countries to assist them in that respect;

14. *We emphasize* the critical importance of regular and effective follow-up to the Conference at the national, regional and global levels, and we commit ourselves to that end. We request the United Nations High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to ensure that the Conference be effectively followed up within the mandate provided by the General Assembly in its resolution 56/227 of 24 December 2001;

15. *We reaffirm* our commitment to facilitate the further development of landlocked developing countries and to the mitigation of the geographic handicaps characteristic of those countries. The establishment of efficient transit transport systems and the integration of landlocked developing countries into the global economy will only be achieved through genuine partnerships between landlocked and transit developing countries, with the assistance of their development partners and through partnerships between the private and public sectors.

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[3] A/C.2/56/7, annex.

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Second session
Almaty, 25-27 August 2003

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Annex I

Chairman's text of the draft outcome of the Conference

Almaty Programme of Action: Partnerships to Address the Special Needs of Landlocked Developing Countries and Establish a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries

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I. Introduction

1. The United Nations Millennium Declaration, adopted by heads of State and Government on 8 September 2000, laid out a set of development goals which call for the creation of an environment at national and international levels conducive to development, among other things. It recognized the special needs and problems of the landlocked developing countries, which were also addressed by recent major United Nations conferences such as the Third United Nations Conference on the Least Developed Countries (Brussels, 2001), the International Conference on Financing for Development (Monterrey, 2002) and the World Summit on Sustainable Development (Johannesburg, 2002). The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation has been convened pursuant to General Assembly resolution 56/180, entitled "Specific actions related to the particular needs and problems of landlocked developing countries", to review the current situation of transit transport systems, including the implementation of the Global Framework for Transit Transport Cooperation of 1995, and to formulate, inter alia, appropriate policy measures and action-oriented programmes aimed at developing efficient transit transport systems.

2. Landlocked developing countries, as a group, are among the poorest of developing countries, with limited capacities and dependence on a very limited number of commodities for their export earnings. In addition, throughout the 1990s the growth rate of the landlocked developing countries has been in general negative or very slow. Lack of territorial access to the sea, remoteness and isolation from world markets have contributed to their relative poverty, substantially inflating transportation costs and lowering their effective participation in international trade. The trade-reducing effect is strongest for transport-intensive activities. Most, if not all, landlocked developing countries are commodity exporters. The very high transport costs which they must bear constrain export development since that burden limits the range of potential exports and markets in which goods can be competitively and profitably traded. The price of imports tends to soar because of high transit transport costs.

3. In most cases, the transit neighbours of landlocked developing countries are themselves developing countries, often of broadly similar economic structure and beset by similar scarcities of resources. The least developed transit countries are in an especially difficult situation. Also transit developing countries bear additional burdens, deriving from transit transport and its financial, infrastructural and social impacts. Transit developing countries are themselves in need of improvement of technical and administrative arrangements in their transport and customs and administrative systems to which their landlocked neighbours are expected to link.

II. Partnerships

4. Efficient transit transport systems can only be established through genuine partnerships between landlocked and transit developing countries and their development partners at the national, bilateral, subregional, regional and global levels and through partnerships between public and private sectors. Partnerships should be based on the mutual benefits deriving from the specific actions that major stakeholders have agreed to undertake in the present programme of action in order to

establish efficient transit transport systems. The international community, including financial and development institutions and donor countries, should provide appropriate financial and technical support to enable those countries to deal effectively with their transit transport problems and requirements.

5. The efficiency of transit transport systems will depend on the promotion of an enabling administrative legal and macroeconomic environment in both landlocked and transit developing countries for effective policy-making and resource mobilization and on cooperative arrangements between landlocked developing countries and their transit neighbours. An effective strategy to improve transit transport systems requires actions at the regional and subregional and bilateral levels for the effective solution of transit problems, which would improve transit transport safety and enable significant economies of scale, particularly relevant for landlocked developing countries. This cooperation must be promoted on the basis of the mutual interest of both landlocked and transit developing countries.

6. The role of the private sector must be taken into account. The private sector, as the service provider and as the user of transit transport services, is an important stakeholder in society and should be a main contributor to the development of infrastructure and productive capacity in both landlocked and transit developing countries.

7. The costs of establishing and maintaining an efficient transit transport system often pose a daunting challenge to the landlocked and transit developing countries. Their development partners should play an important role in supporting and assisting them in their efforts to establish efficient transit transport systems.

8. The interests and concerns of landlocked and transit developing countries should be taken fully into account while establishing transit transport systems. In this regard, the interests and concerns of landlocked and transit developing countries and their development partners should be considered complementary and mutually reinforcing.

9. Regional and subregional integration can play an important role in successfully addressing the specific problems of transit transport from, in and through developing countries. Regional integration initiatives can also facilitate the participation of landlocked and transit developing countries in the global economy, better sharing its benefits and containing its negative effects. In this context, support from all existing sources, where requested, for mechanisms of regional and subregional dialogue and regional integration among landlocked and transit developing countries, is important.

III. Objectives

10. The objective of the present Programme of Action is to address the special needs of landlocked developing countries and establish a global framework for action for developing efficient transit transport systems in landlocked and transit developing countries, taking into account the interests of both landlocked and transit developing countries. The Programme of Action thus aims to: (a) secure unfettered access to and from the sea by all means of transport; (b) reduce costs and improve services so as to increase the competitiveness of their exports; (c) reduce the delivered costs of imports; (d) free trade routes from delays and uncertainties;

(e) develop adequate national networks; (f) reduce loss, damage and deterioration en route; (g) open the way for export expansion.

IV. Priorities

Priority 1
Fundamental transit policy issues

11. It is important that landlocked and transit developing countries review and revise their regulatory frameworks, where necessary, to allow a greater participation of the private sector; to introduce reform measures to make providers of transport services more responsive to user demands; to increase the transparency of transit and border regulations; to establish streamlined administrative procedures; to further simplify border control and procedures; to promote the use of information technology; and to strengthen training programmes in the sector. Transport strategies and programmes, particularly where they involve regulation of transport operations or construction of major new infrastructure, need to take full account of environmental aspects and development needs to ensure sustainable development at local and global levels. These should be an integral part of a policy reform programme and of a poverty reduction strategy.

12. International conventions on transport and transit, as well as regional and bilateral agreements, ratified by landlocked and transit developing countries are the main vehicles by which the harmonization, simplification and standardization of rules and documentation can be achieved.

13. At the international level, development partners, in particular the multilateral aid agencies, should give high priority to sustainable transportation project financing. New infrastructure investment, including through public/private partnerships involving official development assistance and private sector investment, including foreign direct investment, would also be vital for the development of transit transport systems.

14. The following specific actions are required:

(a) An integrated approach to trade and transport sector development is needed that takes into account social and economic aspects, as well as physical, policy, regulatory, procedural and institutional considerations;

(b) Landlocked and transit developing countries need to give a high priority to developing and modernizing existing facilities and to increasing the commercial orientation of transport and infrastructure by eliminating non-physical barriers to transit transport;

(c) Reform in the transport sector should be actively pursued, with the greater involvement of, and partnership with, the private sector;

(d) There is a need to promote public/private sector dialogue and cooperation, with the assistance of development partners, as appropriate;

(e) The establishment of regional transport corridors and the adoption of common rules and standards, where appropriate, should play a major role in transit transport facilitation. In that regard, the role of the regional commissions and

subregional organizations should be further strengthened. In this context, the regional commissions and subregional organizations in Africa, Asia and Latin America need further assistance from the international community;

(f) The existing institutional mechanisms at the policy and operational levels to monitor and promote the implementation of agreements and arrangements involving landlocked and transit developing countries should be further strengthened;

(g) Efforts should be made to promote integrated training programmes encompassing all levels, from the top management to low-level operators, in both the public and private sectors.

Priority 2
Infrastructure development and maintenance

15. Inadequate infrastructure is a major obstacle to establishing efficient transit transport systems in landlocked and transit developing countries. The deterioration of transport infrastructure is a general problem that affects both. Communications facilities are required to facilitate advance knowledge of transport service availabilities and to ensure smooth and speedy transit. Addressing these needs will involve considerable investment, setting up of public/private partnerships, capacity-building, and new policies and institutional reform, where necessary. The share of national resources and official development assistance allocated to infrastructure development in landlocked developing countries is very limited. Also, the challenge of establishing adequate infrastructure facilities and of remedying the deterioration of existing transport infrastructure in both landlocked and transit developing countries could go beyond the public sector. This requires the participation of the private sector as well as the support of development partners. In particular, the appropriate financial and technical support of donors, international financial institutions and development assistance agencies remain critical.

16. A prerequisite for successfully attracting private investment in infrastructure projects is a sound regulatory and institutional framework. Regional and subregional economic cooperation integration can help to overcome problems of market size in landlocked and transit developing countries, especially in the least developed among them, and attract the private sector to invest in infrastructure development. In this context, the New Partnership for Africa's Development (NEPAD) is an important initiative, as most landlocked and transit developing countries are in this continent. NEPAD boosts the creation of subregional and regional infrastructure. The special needs of landlocked developing countries should be taken into careful consideration in the implementation of the trans-African transport infrastructure, Asian highways, trans-Asian railway and international North-South corridor projects, as well as the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) and the Transport Corridor Europe-Caucasus-Asia (TRACECA).

17. The following specific actions are required:

(a) Landlocked and transit developing countries, with the appropriate financial assistance and investment from donors, international financial institutions and development assistance agencies, should allocate a greater share of public investment to the development of infrastructure;

(b) Landlocked and transit developing countries should make every effort to provide a conducive environment for using all transport modes in transit transport services in order to encourage competition between different transport modes, particularly road and rail transport. At the same time, capacities and legal regimes for multimodal transport operations should be further developed;

(c) Particular attention should be given to constructing "missing links" in the regional and subregional transport network;

(d) Private-sector participation should be encouraged, also by development partners, in transit transport infrastructure development, through co-financing, Build-Operate-Transfer, and playing a catalytic role in attracting foreign direct investment, as well as facilitating increased access to bond markets;

(e) Private-public partnership platforms along trade and transport corridors should be promoted through the development and extensive use of common information and communication technology-based management and monitoring systems.

A. Rail transport

18. Railways have an important role to play in the transit transport corridor systems linking ocean ports with landlocked countries. Major concerns are the persistent problem of limited availability of equipment, including locomotives and wagons, and poor maintenance standards. There are also additional problems associated with establishing inter-railway agreements.

19. The following specific actions are required:

(a) The possibility of establishing new railway connections and rehabilitation programmes for existing railway facilities as a matter of priority, in conjunction with new technological improvements and innovations, should be examined at the bilateral, subregional and regional levels;

(b) Landlocked and transit developing countries should, as a matter of priority, improve the maintenance of track and rolling stock, purchase new rolling stock and expand the railway network, where justified by traffic volume;

(c) Landlocked and transit developing countries should also pay special attention to the benefits of the harmonization of gauges, where feasible, the development of reloading capacities, the expansion of training programmes and inter-railway staff exchange programmes;

(d) Governments are encouraged to consider adhering to relevant international conventions related to rail and combined transport, which provide internationally accepted rules for an efficient and safe environment of inter-country rail and combined transport operations, as well as ensuring the institutional development to implement them.

B. Road transport

20. Road transport is an increasingly important mode of transport for the imports and exports of landlocked countries. In particular, road transport is the main mode of

transit transport in Africa. For the expansion of the road transit infrastructure sizeable resource allocations are required. The key problem areas, particularly with regard to international road transport, are the worsening road safety due to inadequate calibration, absence of social infrastructure along the transit corridors and particularly the ageing of transport means and poor maintenance, which is closely associated with the practice of overloading vehicles.

21. The following specific actions are required:

(a) The subregional and regional infrastructure development plans should give high priority to transit corridors linking landlocked developing countries to the transport network in transit developing countries, as well as to the regional network;

(b) Landlocked and transit developing countries should consider taking the necessary initiatives to accede to and implement relevant international conventions related to road transport, ensuring their implementation on a bilateral, subregional and regional basis;

(c) At the bilateral, subregional and regional levels, measures should be considered in order to gradually liberalize road transport services, taking into account specific circumstances in landlocked and transit developing countries, and to facilitate road operational planning and management, through expansion of the databases on road transit and review of the quota system and differential transit charges for trucking and of other measures such as roadblocks and custom supervisors' convoys.

C. Ports

22. The efficiency of port operations depends on adequate infrastructure and good management. Seaports continue to be a critical bottleneck in the transit system because of a range of physical inadequacies and operational constraints. Problems of quality of handling and storage facilities for transit cargo, cumbersome procedures for the clearing and release of cargo, congestion and the shortage of skilled manpower, are particularly relevant.

23. The following specific actions are required:

(a) Landlocked and transit developing countries should seek cooperative arrangements to improve port facilities and services for transit goods, including the modernization of existing terminals, the establishment of new ones and the simplification of procedures where appropriate;

(b) Expand the capacity to handle transit trade, allowing private terminal operations to promote competition and encourage efficiency;

(c) A greater cooperation and coordination should be promoted between public and private institutions dealing with transit traffic in ports (customs administration, security personnel, port authorities, commercial banks, clearing and forwarding agents, insurance companies);

(d) The establishment of dry ports in landlocked countries should be promoted;

(e) Training programmes for port workers should be expanded to enable them to adapt to new technologies and procedures.

D. Inland waterways

24. Inland waterways provide transit services to some landlocked countries. The efficiency of transit services along such waterways requires better infrastructure, appropriate legal frameworks to govern river/lake navigational operations and more effective environmental and safety measures.

25. The following specific actions are required:

(a) Further efforts should be undertaken to rehabilitate and expand the lake/river infrastructure facilities along the corridors linking landlocked countries to ocean ports;

(b) Consideration should be given to the establishment of legal and other arrangements for collaborative actions at the subregional level and to promote more efficient river/lake transit systems;

(c) The development of new waterways, where possible, should be explored. Also, the maintenance and expansion of existing waterways should be encouraged, when appropriate, with the assistance of financial institutions.

E. Pipelines and transmission lines

26. Pipelines provide a cost-effective means of transport for both oil and natural gas. Similarly, transmission lines are vital to carry the electricity to subregional and regional markets. The planning and construction of pipelines require close cooperation between landlocked and transit developing countries. The substantive investments that are required for the construction of pipelines and transmission lines necessitate capital investment from the private sector as well.

27. The following specific action is required:

(a) Landlocked and transit developing countries should cooperate and coordinate to construct pipelines and transmission lines along the most cost-effective and most suitable or shortest routes, taking into account the interests of parties concerned.

F. Air transport

28. Air transport offers landlocked countries a means of avoiding the transit problems associated with overland and overseas freight movements. However, only very high-value and low-bulk commodities can support the costs of airfreight rates.

29. The following specific actions are required:

(a) Physical infrastructure facilities (aircraft, runway, air navigation system, airport handling and storage) need to be expanded;

(b) Governments should progressively liberalize their policies regarding the granting of traffic rights for freight on scheduled services and lift any restrictions on cargo charter flights, making a more effective use of existing freight capacity possible;

(c) Pooling of air transport arrangements at the regional, subregional and bilateral levels should be further promoted to permit economies of scale;

(d) Training programmes at the national and subregional levels should be expanded.

G. Communications

30. The remoteness of landlocked developing countries from seaports and overseas markets, compounded by inadequate communication links with various ports and commercial centres, continues to be a major handicap inhibiting the rapid movement of transit cargo. Cargo monitoring systems, which give advance and tracking information on cargo moving within interfaces and along modes, could significantly reduce delays.

31. The following specific action is required:

(a) Telecommunications facilities should be expanded, private-sector participation in that regard encouraged and the management of such facilities be streamlined.

Priority 3
International trade and trade facilitation

32. Trade is an important engine for economic development. However, the participation of landlocked developing countries in international trade, which is crucial for their development prospect, is severely limited. Also, a good number of the landlocked and transit developing countries are not members of the World Trade Organization. Therefore, they lack access to the trade preferences and special treatment for developing countries offered by the World Trade Organization.

33. One of the main causes of the marginalization of landlocked developing countries from the international trading system is high trade transaction costs. Trade and transport are inextricably linked. Transport is a key sector for international trade, for regional integration and for ensuring a balanced national development. Excessive transport costs create a major effective barrier to foreign markets.

34. Important sources of additional and avoidable costs and inefficiency can include cumbersome border-crossing, customs procedures, documentation requirements and inadequate infrastructure facilities, as well as costly bank transactions. Landlocked developing countries, with additional border crossings and transit dependence can be at a particular disadvantage, depending on the state of their own and their neighbours' border procedures and level of regional cooperation and integration.

35. International conventions and regional, subregional and bilateral agreements are the main means through which harmonization, simplification and standardization and the transparency of rules and procedures can be achieved. Their full and effective implementation requires strong political commitment at the national level.

36. The Ministerial Declaration adopted at the Fourth Ministerial Conference of the World Trade Organization, held in Doha in 2001, recognized, as part of the Doha

development agenda negotiations, the case for expediting the movement, release and clearance of goods, including goods in transit, and the need for enhanced technical assistance and capacity-building in this area. Also, the decision in the same declaration that the World Trade Organization programme would address issues related to the trade of small, vulnerable economies and their full integration in the multilateral trading system was a welcome step for most landlocked and transit developing countries.

37. The following specific actions are required:

(a) The accession of landlocked and transit developing countries to the World Trade Organization should be further expedited. In this respect, the accession process for landlocked and transit developing countries should take into account their individual level of development, including special needs and problems caused by the geographical disadvantage. The development partners should provide assistance in this matter;

(b) It should be further recognized that enhanced and predictable access to all markets for the exports of landlocked and transit developing countries is important. In particular, the current negotiations on market access for agricultural and non-agricultural goods should consider giving particular attention to product originating from landlocked developing countries, in accordance with the Doha Ministerial Declaration;

(c) Landlocked and transit developing countries should be provided assistance in the area of trade facilitation in the light of the agreement in the Doha Ministerial Declaration that the negotiations will take place after the fifth session of the Ministerial Conference on the basis of a decision to be taken by explicit consensus at that session on the modalities of negotiations with a view to establishing multilateral commitments in the World Trade Organization on trade facilitation, including freedom of transit and simpler customs procedures. The relevant General Agreement on Tariffs and Trade/World Trade Organization provision should be reviewed, clarified and improved in accordance with the Doha Ministerial Declaration;

(d) More efforts are required within available financial resources to facilitate transit traffic through border posts, to expand the use of information technology, to implement efficient customs control systems and simplification of documents and procedures, and to strengthen the capacity-building of government agencies in the field of trade and trade facilitation;

(e) Landlocked and transit developing countries should consider becoming a party to and implementing effectively the international conventions and instruments that are applicable to various transport segments, including road, rail, inland waterways and multimodal transport. The implementation of trade facilitation measures and instruments, including regional, subregional and bilateral agreements, should be facilitated through capacity-building and technical assistance and monitored closely;

(f) Landlocked and transit developing countries should establish, where appropriate, and/or strengthen, national trade and transport facilitation boards or committees involving all major stakeholders, including the private sector.

Priority 4
International support measures

38. The cost implications of meeting the requirements to establish and maintain an efficient transit transport system are of such magnitude that the landlocked and transit countries cannot by themselves accomplish that formidable task. Many of the landlocked developing countries are among the poorest countries. Since most of the transit countries are themselves developing countries with limited resources, the development partners should play an important role in supporting transit transport development programmes. Such support should take fully into account the special vulnerabilities and developmental needs of landlocked and transit developing countries in providing assistance to them.

38 bis. The primary responsibility for implementing the present Programme of Action should rest with landlocked and transit developing countries. It is essential that they seek to create conditions in which resources can be generated, attracted and effectively mobilized to address their development challenges, including those that result from being landlocked.

39. The following specific actions are required:

(a) The international community, including financial and development institutions and donor countries, should play an important supporting role to assist those countries to deal effectively with their transit transport problems and requirements, including, by:

(i) Facilitating an external environment supportive of full and timely realizing of the objectives of the present Programme of Action;

(ii) Facilitating the access and transfer of technologies related to transit transport systems including information and communication technology;

(iii) Promoting and encouraging innovative sources of funding and providing technical support through partnership;

(iv) Substantial increase in official development assistance and other resources to achieve the internationally agreed goals and objectives, including those contained in the United Nations Millennium Declaration;

(v) Substantially increasing foreign direct investment to contribute to the development and upgrading of transit transport infrastructure;

(b) A substantial increase is required in the mobilization of financial and technical assistance from donors and international financial and development institutions. Donor countries and multilateral financial and development institutions should be encouraged to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants and/or loans on the most concessional terms possible, based on the needs described in paragraphs 40 and 41 below;

(c) The criteria and procedures used to evaluate the viability of transit transport infrastructure projects and programmes, as well as to approve the funds for them, should take into account the particular economic and institutional weaknesses and needs of landlocked and transit developing countries, including the necessity of

creating overcapacities, with due regard to traffic development prospects and emergencies due to frequent political contingencies;

(d) Special attention should be given to financial and technical assistance for institutional capacity-building in landlocked and transit developing countries to promote effective government policy-making and practices in addressing their transport and transit needs;

(e) More cost-effective and innovative modalities for financing, such as local costs and recurrent cost financing, untied aid and such arrangements as regional trusts and regional investment authorities should, where appropriate, also be examined.

40. The following areas should be considered a priority for financial assistance:

(a) Investments designed to complete "missing links" in the transit transport chain to extend railways and roads to landlocked developing countries;

(a) bis Maintenance of existing physical transit transport infrastructure;

(a) ter Construction, maintenance and rehabilitation of oil and gas pipelines;

(b) Development of alternative cost-effective routes;

(c) The development of dry port projects in landlocked and transit developing countries;

(d) Projects to improve existing or establish adjacent border points;

(e) Joint projects in trade and production to help bolster subregional and regional trade;

(f) Rehabilitation and reconstruction of the transport infrastructure, particularly in countries or regions emerging from war and conflict and natural disasters;

(g) Increased access to bond markets and enhanced risk-sharing between the financing organizations of the public and private sectors.

41. The following areas should be considered a priority for technical assistance:

(a) Promoting the implementation of agreed bilateral, subregional, regional and international transit agreements;

(b) Promoting social and market-oriented transit transport policies;

(c) Encouraging the exchange of experience related to the development and management of transit transport systems in different regions;

(d) Promoting and implementing privatization programmes within the transport sector, where appropriate;

(e) Establishing training programmes, inter alia, in the area of customs, including documentation and transit procedures; freight forwarding and clearing of transit cargo; infrastructure and equipment maintenance; road safety; environmental protection in the transit transport sector; transit insurance; dry port development and management; and expanding regional databases on road transport;

(f) Trade facilitation projects aiming at simplifying and streamlining import, export and customs procedures and related capacity-building of particular human resources;

(g) Assisting Governments in elaborating the implications of acceding to relevant international conventions.

Priority 5
Implementation and review

42. The implementation of the present Programme of Action requires individual and concerted efforts by the landlocked and transit developing countries; their development partners; the organizations and bodies of the United Nations system; relevant international organizations, such as the World Bank, the regional development banks, the World Trade Organization and the World Customs Organization; regional economic integration organizations, and other relevant regional and subregional organizations.

43. Bilateral, regional and subregional cooperation is the most important element in establishing efficient transit transport systems and must be promoted on the basis of the mutual interests of both landlocked and transit countries. Arrangements must be established, where necessary, and further strengthened for regular review and monitoring of the implementation of transit agreements through public and private sector dialogue and consultations. The private sector should be actively involved in the implementation of the present Programme of Action.

44. Relevant international organizations, including the World Bank, the World Customs Organization and other relevant international and regional organizations, including the Common Fund for Commodities, are invited to give priority to requests for technical assistance to supplement national and regional efforts to promote the efficient use of existing transit facilities, including the application of information technologies and the simplification of procedures and documents.

45. The United Nations Conference on Trade and Development needs to continue to consider programmes concerning electronic commerce, trade facilitation and trade issues in landlocked and transit developing countries. Its Special Programme for the Least Developed, Landlocked and Small Island Developing Countries should continue to carry out analytical work and technical assistance related to the transit transport problems of landlocked developing countries within its mandate.

46. South-South cooperation and triangular cooperation with the involvement of donors should be further promoted.

47. The regional commissions are invited to consider, as appropriate, further expanding their programmes consistent with the present Programme of Action to support the landlocked and transit developing countries in their efforts to improve their transit transport systems, and development partners should consider providing the appropriate financial support in that regard.

48. Specific subregional meetings should be organized, where appropriate, to consider how to implement effectively the present Programme of Action in accordance with the mandate given by the General Assembly in its resolution 56/227. The Office of the High Representative for the Least Developed Countries,

Landlocked Developing Countries and Small Island Developing States, the World Bank, the United Nations Conference on Trade and Development, the regional commissions and other relevant international and regional/subregional organizations are invited, as appropriate, to provide support to landlocked and transit developing countries in organizing those subregional meetings.

49. The United Nations General Assembly is invited to consider conducting a comprehensive review of the implementation of the present Programme of Action at a moment to be decided upon. The Office of the High Representative should coordinate the preparatory process for the review. The United Nations Conference on Trade and Development, the World Bank and the regional commissions are invited to provide substantive and technical assistance for that process.

50. The Secretary-General of the United Nations should report, on the basis of the information provided by Member States and relevant international, regional and subregional organizations, on the implementation of the present Programme of Action to the General Assembly, which is invited to decide its periodicity.

51. In accordance with the mandate given by the General Assembly in its resolution 56/227, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is requested to, inter alia, enhance its cooperation and coordination with organizations within the United Nations system, particularly those engaged in operational activities on the ground in landlocked and transit developing countries, to ensure effective implementation of the Programme of Action in line with General Assembly resolution 57/270 B. The Office of the High Representative will continue to carry out advocacy work to mobilize international awareness and focus attention on the implementation of the present Programme of Action.